

## Article - Tax - General

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§10–743.

(a) (1) In this section the following words have the meanings indicated.

(2) “Department” means the Department of Commerce.

(3) “Qualified veteran employee” means an individual who:

(i) is honorably discharged or released under honorable circumstances from active military, naval, or air service as defined in 38 U.S.C. § 101; and

(ii) is a qualified veteran as defined under 26 U.S.C. § 51(d)(3)(A) for purposes of the federal Work Opportunity Tax Credit.

(4) “Small business” means an individual, a partnership, a limited partnership, a limited liability partnership, a limited liability company, or a corporation that employs 50 or fewer full–time employees.

(b) Except as provided in subsection (d) of this section, a small business that hires a qualified veteran employee may claim a credit against the State income tax in the amount stated on the tax credit certificate issued under subsection (e) of this section for wages paid to the qualified veteran employee.

(c) For each taxable year, for the wages paid to each qualified veteran employee, a credit may not exceed 30% of up to the first \$6,000 of wages paid to the qualified veteran employee during the first year of employment.

(d) A small business may not claim the credit under this section:

(1) for more than five qualified veteran employees in a taxable year;  
or

(2) for a qualified veteran employee who is hired to replace a laid–off employee or an employee who is on strike.

(e) (1) On application by a small business, the Department shall issue a tax credit certificate in the amount allowable under subsection (c) of this section for each qualified veteran employee employed by the small business in a taxable year, subject to subsection (d)(1) of this section.

- (2) The application shall include:
- (i) the name of the small business;
  - (ii) information identifying the name and date of hire of the qualified veteran employee;
  - (iii) proof of the wages paid to the qualified veteran employee;
- and
- (iv) any other information that the Department requires.
- (3) The Department shall:
- (i) approve all applications that qualify for a tax credit certificate under this subsection on a first-come, first-served basis; and
  - (ii) notify the small business within 45 days after the receipt of the application of the Department's approval or denial.
- (4) For each taxable year, the total amount of the credit certificates that may be issued by the Department under this section may not exceed \$500,000.
- (f) On or before January 31 of each taxable year, the Department shall report to the Comptroller on the tax credit certificates issued under this section during the prior taxable year.
- (g) The Department shall adopt regulations to:
- (1) implement the provisions of this section; and
  - (2) specify criteria and procedures for application for, approval of, and monitoring continuing eligibility for the tax credit under this section.

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